

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

APPROVAL TO RENEW THE STATE OF CALIFORNIA – DEPARTMENT OF REHABILITATION COOPERATIVE AGREEMENT (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request approval to renew the Cooperative Agreement with the State of California – Department of Rehabilitation which will enable nine Legal Entity contract providers and 17 directly operated adult mental health clinics to continue providing vocational and employment services.

REQUEST

1. Approve and authorize the Director of Mental Health, or his designee, to sign and execute four original copies of the Cooperative Agreement Number 27326, (Cooperative Agreement), with the State of California – Department of Rehabilitation (State DOR), for Fiscal Years (FY) 2009-10, 2010-11 and 2011-12. This Cooperative Agreement allows for the provision of vocational and employment services to the County's mentally ill clients by the nine Legal Entity (LE) contract providers and 17 directly operated adult mental health clinics. Under the Cooperative Agreement, the Department of Mental Health (DMH) will contribute \$650,181 of County General Funds (CGF), \$248,008 of Mental Health Services Act (MHSA) funds, and \$226,809 of staff certified time for a total of \$1,124,998, combined with \$3,999,088 of Federal funds that are administered by State DOR, for a total annual program amount of \$5,124,086.
2. Adopt the Resolution and instruct the Chairman of your Board and the Executive Officer, Board of Supervisors, to certify and sign two Resolutions.
3. Delegate authority to the Director of Mental Health, or his designee, to sign future amendments or modifications to the Cooperative Agreement to incorporate changes released by the State DOR provided that: 1) approval of the Chief Executive Office (CEO) and County Counsel, or their designees, is obtained prior to amendments or modifications, and 2) the Director of Mental Health provides written notification to your Board within 30 days after the execution of amendments or modifications.

4. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments or modifications with the nine existing LE contractor providers, and establish as a new Maximum Contract Amount (MCA) the aggregate of the original agreements and all amendments provided that: 1) the County's total payments to each Contractor under Agreement for each fiscal year will not exceed an increase of twenty percent (20%) from the applicable MCA; 2) any such increase will be used to provide additional services or to reflect program changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of CEO and County Counsel, or their designees, is obtained prior to such amendment; 5) the parties may, by written amendment, mutually agree to reduce programs or services without reference to the twenty percent (20%) limitation; and 6) the Director of Mental Health notifies your Board of any changes, in writing, within 30 days after execution of any amendment.

PURPOSE/JUSTIFICATION

The State DOR Cooperative Agreement provides funding for administrative oversight of the Cooperative Agreement and for vocational and employment services to DMH clients that are provided by nine LE contractors and 17 DMH directly operated clinics. The services provided include vocational assessments, funds for transportation, clothing and uniforms, job-related tools and equipment, training, job placement and other supportive services that assist clients to obtain and maintain employment.

The current Cooperative Agreement with the State DOR will expire on June 30, 2009. Board approval of the recommended actions will ensure continuation of vocational and employment services to DMH clients.

BACKGROUND

DMH has participated in a Cooperative Agreement with State DOR since 1991 to provide vocational and employment services for individuals who have a mental illness. These services include vocational assessments provided by DMH directly operated clinics and LE contract providers. The LE contract providers also assist clients with obtaining and maintaining employment. During FY 2007-08, approximately 2,400 clients were served through the Cooperative Agreement Program.

The Cooperative Agreement expressly provides that the County has no obligation to pay for expenditures beyond the contract amount. This is a cost reimbursement contract whereby State DOR pays LE contract providers directly.

The LE contract providers submit invoices to State DOR reflecting actual costs for providing services. The Cooperative Agreement specifies the services to be provided and the funding amounts to be reimbursed for the services.

The key terms and conditions of the Cooperative Agreement have been reviewed and approved by County Counsel. The CEO has reviewed the proposed actions. DMH will administer the Cooperative Agreement to ensure that vocational and employment services are provided and that the Cooperative Agreement provisions and Departmental policies are followed.

DMH is required under the Cooperative Agreement to contribute funds in order for State DOR to access Federal vocational rehabilitation dollars. DMH can meet its share through either cash or non-cash certified staff time. The monetary value of certified time is based on staff salaries for time spent to administer the Agreement and provide liaison services. DMH's contribution for FY's 2009-10, 2010-11 and 2011-12 is a combination of funds from LE providers' MCA, DMH CGF and non-cash certified time commitments.

The nine LE contractors have agreed to decrease the MCA in their LE agreements with DMH and correspondingly increase the respective CGF and MHSA match contributions for them under the agreement with the State DOR, which uses these funds and the related Federal dollars to fund case service agreements between the LE contract providers and State DOR. Case service agreements are agreements between the State DOR and LE contract providers that enable the providers to be reimbursed through the State DOR.

The Cooperative Agreement for FYs 2009-10, 2010-11, and 2011-12 is funded by \$248,008 in MHSA funds and \$585,759 of CGF reduced from the LEs' MCA. The \$833,767 sum of reduced LE CGF and MHSA is combined with \$226,809 of non-cash certified time commitments and \$64,422 of DMH CGF not reduced from LE MCAs (a total CGF contribution of \$650,181) for a total of \$1,124,998. The \$1,124,998 total will be used to match \$3,999,088 in Federal funds that are administered by the State DOR for an annual program total of \$5,124,086 for FYs 2009-10, 2010-11, and 2011-12. The total annual program cost of \$5,124,086 is fully funded with CGF, MHSA, Federal funds administered by State DOR, and non-cash certified time commitments, and is included in DMH's FY 2009-10 Proposed Budget. Funding for FYs 2010-11 and 2011-12 will be requested as part of DMH's annual budget process. There is no increase in net County cost.

Board approval of the recommended actions will allow continuation of provision of vocational and employment services to clients without interruption by DMH's directly operated and LE contract providers throughout the County of Los Angeles. These

services will continue to ensure that clients receive the necessary support to obtain and maintain employment which is critical to their recovery and independence.

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Approved By:

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Chief Executive Officer – James Sokalski
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